EthiFinance Ratings

ALLIANZ SE

DE129274114

FINANCIAL INSTITUTIONS

AA-

ISSUER RATING
LongTerm

OUTLOOK
Stable

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Rating Action and Rationale

EthiFinance Ratings affirms the long-term rating of Allianz SE and its subsidiaries (the Allianz Group) at AA-, maintaining a Stable outlook.

The rating reflects the Group's very strong business profile, supported by its global market leadership, broad diversification across business lines, geographies and earnings sources, extensive distribution network and internationally recognised brand.

The assessment is further supported by Allianz's strong earnings and profitability, characterised by resilient operating performance, disciplined underwriting and recurring earnings generation across its three operating segments. In 2025, operating profit increased by 8.4% to €17.37 bn, while the Property-Casualty combined ratio improved to 92.2%, highlighting the Group's continued underwriting discipline. Profitability also benefits from stable fee-based income generated by its Asset Management business and recurring earnings from the Life/Health segment.

The rating also reflects Allianz's high-quality investment portfolio, which remains conservatively positioned, highly diversified and predominantly invested in investment-grade fixed-income securities, supporting stable investment income while limiting credit risk. In addition, the Group maintains very strong capitalization and solvency, with a Solvency II ratio of 218% at year-end 2025, providing substantial capacity to absorb adverse market and underwriting developments.

Moreover, Allianz benefits from a very strong funding and liquidity profile, supported by stable long-duration insurance liabilities, conservative financial leverage, excellent interest coverage and strong access to capital markets. Collectively, these strengths provide the Group with a high degree of financial flexibility and reinforce the resilience of its overall credit profile.

The rating also reflects Allianz's exposure to financial market volatility, particularly through its sizeable investment and asset management activities, as well as the inherent sensitivity of its insurance operations to claims inflation, catastrophe losses and changes in interest rates. Nevertheless, EthiFinance Ratings considers that the Group's diversified earnings base, prudent risk management, strong internal capital generation and ample financial flexibility provide significant capacity to absorb such risks.

Company Description

Allianz SE is the parent company of the Allianz Group, one of the world's leading insurance and asset management groups. Headquartered in Munich, Germany, the Group operates in almost 70 countries and provides a comprehensive range of Property-Casualty, Life/Health and Asset Management products and services to approximately 97 million private and corporate customers worldwide. Allianz is the world's largest Property-Casualty insurer, ranks among the top five Life/Health insurers globally and is one of the leading active asset managers through PIMCO and Allianz Global Investors. In 2025, the Group generated total business volume of €186.9 bn and reported total assets of approximately €1.02 tn.

Fundamentals

Global market leadership. Allianz is the world's largest Property & Casualty insurer, ranks among the top five Life/Health insurers globally and is one of the leading active asset managers. Its leading positions across multiple insurance segments support pricing power, customer retention and resilient earnings generation.

Highly diversified business model. The Group benefits from broad diversification across business lines, geographies and earnings sources. In 2025, Property & Casualty, Life/Health and Asset Management contributed 50%, 31% and 19% of operating profit, respectively, limiting reliance on any single business segment.

Strong asset management franchise. PIMCO and Allianz Global Investors managed approximately €2.2 tn of third-party assets as of June 2026, providing stable fee-based earnings that enhance profitability and reduce dependence on underwriting results.

Extensive distribution and strong brand. Allianz combines proprietary, bancassurance, broker and digital distribution channels, supported by one of the world's most recognised insurance brands. This broad commercial platform strengthens customer acquisition, retention and competitive positioning.

Strong and resilient earnings. Allianz reported operating profit of €17.37 bn and net income of €11.43 bn in 2025, both increasing 8.4% year-on-year. Earnings growth was broad-based across all business segments, demonstrating the resilience of the Group's diversified business model.

Excellent underwriting performance. Property & Casualty remains the Group's main earnings contributor, supported by disciplined underwriting and strong pricing. The combined ratio improved to 92.2% in 2025 from 93.4% in 2024, reflecting lower catastrophe losses, improved claims experience and continued cost discipline.

High profitability. Allianz continues to generate strong returns, with ROE increasing to 17.5% from 16.8% and ROA improving to 1.1% from 1.0%. Profitability is supported by recurring earnings from the Life/Health business and stable fee-based income from Asset Management.

High-quality investment portfolio. Allianz maintains a conservative and well-diversified investment portfolio, with 74.8% of invested assets allocated to debt instruments and approximately 93% of fixed-income investments rated investment grade. This prudent asset allocation limits credit risk and supports stable investment income.

Very strong capitalization. Allianz maintains a robust capital position, with its Solvency II ratio improving to 218% in 2025 from 209% in the previous year. Strong internal capital generation and substantial capital buffers provide significant capacity to absorb market and underwriting shocks.

Strong funding and liquidity. Allianz benefits from a stable funding profile supported by long-duration insurance liabilities, conservative leverage and excellent capital market access. Financial leverage improved to 39.5%, while fixed-charge coverage strengthened to 13.5x, underpinning strong financial flexibility and a resilient liquidity profile.

Business Profile

Allianz SE, headquartered in Munich, Germany, is the parent company of the Allianz Group, one of the world's largest insurance and asset management groups. The Group operates in almost 70 countries through locally established subsidiaries, while Allianz SE primarily acts as the holding company and writes predominantly intragroup reinsurance business. Allianz provides a comprehensive range of Property-Casualty (P/C), Life/Health (L/H) and Asset Management products and services to approximately 97 million private and corporate customers worldwide.

Allianz benefits from an exceptionally strong competitive franchise built on its global scale, diversified business model and internationally recognised brand. The Group remains the world's largest Property-Casualty insurer, ranks among the five largest Life/Health insurers globally, and is one of the world's leading active asset managers through PIMCO and Allianz Global Investors. Beyond its core insurance activities, Allianz also holds leading positions in trade credit insurance, travel insurance and assistance services, as well as in global corporate and specialty insurance. These market-leading positions, together with its broad international footprint, provide considerable pricing power, strong customer retention and significant barriers to entry.

Asset Management continues to represent an important strategic pillar of the Group. As of 30 June 2026, Allianz managed approximately €791 billion of insurance assets, while PIMCO and Allianz Global Investors managed approximately €2.2 trillion of third-party assets. Besides providing a stable stream of fee-based revenues, the asset management business materially enhances earnings diversification and reduces the Group's dependence on underwriting results and interest rate conditions.

The Group's business profile benefits from a high degree of diversification across operating segments. In 2025, Allianz generated a total business volume of €186.9 billion, of which Property-Casualty and Life/Health represented 46% and 49%, respectively, while Asset Management accounted for the remaining 5%. Profit generation is even more diversified, with Property-Casualty contributing 50% of operating profit, Life/Health 31%, and Asset Management 19%. Although representing a relatively small share of business volume, Asset Management generates a disproportionately high share of earnings due to its structurally higher margins, providing an effective counterbalance to the more capital-intensive insurance operations. This balanced earnings mix supports the resilience and predictability of the Group's profitability across different market environments.

Geographical diversification is another key strength of Allianz's business profile. Business volume is well distributed across Germany (25%), Western & Southern Europe (25%), the United States (14%), Growth Markets (12%), Anglo Markets (6%) and Specialty Insurance (17%), with no single market accounting for a disproportionate share of revenues. This broad international presence limits exposure to country-specific economic, regulatory or competitive pressures while allowing the Group to benefit from different stages of the insurance cycle and from structural growth opportunities in emerging markets.

Allianz also benefits from a well-established and diversified distribution platform combining proprietary, partner and digital channels. Tied agents remain the cornerstone of the life insurance franchise, particularly in Germany, providing the Group with a high degree of control over customer relationships and distribution quality. These are complemented by extensive broker networks and long-standing bancassurance partnerships, including exclusive agreements with HSBC in Asia, Commerzbank, Santander and HypoVereinsbank in Germany, and BBVA in Spain. At the same time, Allianz continues to expand its digital capabilities through Allianz Direct, which, following several acquisitions, has become the leading direct insurer in Europe. The breadth of its distribution network enhances commercial flexibility and reduces reliance on any single distribution channel.

The Allianz brand is widely recognised as one of the strongest in the global insurance industry and constitutes a meaningful competitive advantage in customer acquisition, retention and pricing. In EthiFinance Ratings' opinion, this brand strength is complemented by a highly experienced management team with a long track record of disciplined underwriting, prudent risk management, consistent capital allocation and successful execution of strategic initiatives. Management continues to pursue profitable growth while maintaining strict financial discipline, as reflected in its medium-term targets of 7%-9% annual EPS growth, a return on equity of at least 17%, and an operating profit target of €17.4 billion ± €1 billion for 2026.

Overall, EthiFinance Ratings considers Allianz's business profile to be very strong. The assessment reflects the Group's global leadership in several insurance segments, exceptional diversification across products, geographies and earnings sources, extensive distribution capabilities, highly valuable brand and proven management execution. Collectively, these strengths provide considerable resilience through insurance and economic cycles and constitute a key support for Allianz's overall credit profile.

Financial Profile

Earnings and Profitability

Allianz's total business volume amounted to €186.94 bn in 2025, increasing 4.0% from €179.78 bn in 2024. Growth was broad-based across all business segments, supported by favourable pricing, business expansion and resilient customer demand. Internal business volume increased by 8.1%, highlighting the strength of the Group's commercial franchise despite adverse foreign exchange and consolidation effects.

Operating profit increased by 8.4% to €17.37 bn. All business segments contributed positively, with Property-Casualty remaining the main earnings driver through improved underwriting profitability, while Life/Health continued to benefit from recurring Contractual Service Margin (CSM) releases and Asset Management delivered higher fee-based earnings. These positive developments more than offset a weaker operating investment result, affected by adverse valuation effects and the depreciation of the U.S. dollar.

Net income increased by 8.4% to €11.43 bn, despite a higher tax charge resulting from non-recurring tax items and prior-year adjustments. Profitability remained very strong, with return on assets (ROA) improving to 1.1% from 1.0%, and return on equity (ROE) rising to 17.5% from 16.8%.

The P-C segment contributed €86.74 bn to total business volume in 2025, up 4.7% year-on-year. Gross premiums written increased by 4.8% to €84.08 bn, while fee and commission income remained broadly stable at €2.66 bn (+0.5%). Growth reflected a balanced combination of pricing actions and business expansion across most operating entities.

Operating profit increased by 13.9% to €8.99 bn, mainly driven by a stronger insurance service result reflecting robust premium growth and improved underwriting profitability. This more than offset a slight decline in the operating investment result, mainly attributable to portfolio transfers to the Life/Health segment, higher interest accretion and adverse foreign exchange effects.

Underwriting performance remained excellent. The loss ratio improved from 69.3% to 68.3%, while the expense ratio declined from 24.2% to 23.9%, resulting in a combined ratio of 92.2%, compared with 93.4% in 2024. The improvement reflected lower natural catastrophe losses, a better accident-year loss ratio and continued cost discipline. Net income increased by 12.9% to €5.92 bn, supported by stronger operating performance and a modest improvement in the non-operating result.

The L/H segment reported statutory gross premiums written of €92.31 bn in 2025, up 3.4% year-on-year. While reported growth was affected by foreign exchange movements and changes in consolidation scope, internal business volume increased by 8.2%, supported by broad-based commercial momentum across the Group's core markets.

Operating profit rose 1.7% to €5.60 bn, supported by higher CSM releases, which remained the segment's principal source of recurring earnings. This was partly offset by a weaker operating investment result, higher non-attributable expenses and isolated adverse claims experience. Net income increased 1.2% to €4.14 bn, as higher taxes following the German corporate tax reform were largely offset by gains on the disposal of UniCredit Allianz Vita.

The Asset Management segment reported operating revenues of €8.50 bn in 2025, up 2.2% year-on-year, supported by higher average third-party assets under management despite lower performance fees. Total assets under management increased to €2,512 bn, up 2.6%, reflecting strong net inflows and positive market performance.

Operating profit increased by 3.3% to €3.35 bn, as revenue growth outpaced the increase in operating expenses. Cost efficiency also improved, with the cost-income ratio declining to 60.7% from 61.1% in 2024. Net income rose 3.5% to €2.51 bn, reinforcing the segment's role as a stable source of capital-light, fee-based earnings.

Overall, EthiFinance Ratings views Allianz's earnings profile as a key credit strength. The Group continues to benefit from highly diversified earnings across business lines and geographies, supported by disciplined underwriting, recurring Life/Health earnings through CSM releases and resilient fee-based income from Asset Management. This balanced earnings profile enhances the predictability of results and supports the Group's resilience across insurance and financial market cycles.

Asset Composition and Quality

Allianz's total assets amounted to €1.02 tn at year-end 2025, declining by 1.9% from €1.04 tn in 2024. The Group's investment portfolio remained broadly stable at €764.2 bn, reflecting a prudent investment strategy despite market volatility.

The investment portfolio continues to exhibit a conservative risk profile, with debt instruments accounting for 74.8% of invested assets. Government bonds represented 33.1% of the fixed-income portfolio, followed by corporate bonds (36.5%) and covered bonds (7.7%), while equities, investment funds and real estate accounted for 6.6%, 10.7% and 3.0%, respectively. The portfolio remains well diversified across asset classes, sectors and geographies, limiting concentration risk and supporting the stability of investment income.

Credit quality also remains strong, with approximately 93% of the debt portfolio invested in investment-grade securities and loans. Sovereign exposures are diversified across major developed markets, including France, Germany, Italy and the United States, while the corporate bond portfolio is broadly diversified across U.S. and European issuers. This conservative allocation limits credit risk and provides resilience under adverse market conditions.

Although Allianz maintains exposure to alternative and other less liquid assets, these remain moderate relative to the overall portfolio and are largely associated with the Life/Health business, where investment risks are partially shared with policyholders. In EthiFinance Ratings' opinion, the Group's disciplined investment management, high-quality fixed-income portfolio and broad diversification support a strong asset quality profile, with investment risk remaining commensurate with the liabilities it backs.

Capitalization and Solvency

Allianz's capitalization remained very strong in 2025, supported by sustained earnings generation and prudent capital management. Shareholders' equity increased to €62.72 bn at year-end 2025 from €60.29 bn in 2024, reflecting continued profit retention despite the Group's shareholder remuneration policy.

The Group's Solvency II ratio improved to 218% from 209% a year earlier, remaining comfortably above both regulatory requirements and management's operating target. In EthiFinance Ratings' opinion, this level of capitalization provides substantial capacity to absorb adverse market developments and underwriting shocks while supporting the Group's financial flexibility and growth strategy.

Capital generation continues to be underpinned by Allianz's strong and recurring earnings profile, while the Group's prudent risk management framework, disciplined underwriting and conservative investment strategy contribute to limiting capital volatility. Although the Solvency II ratio remains exposed to financial market movements, particularly equity markets, this sensitivity is mitigated by effective asset-liability management, broad diversification and the risk-sharing features embedded in a significant portion of the Life/Health business.

Overall, EthiFinance Ratings considers Allianz's capitalization and solvency profile to be a key rating strength. The Group maintains substantial capital buffers, strong internal capital generation and a resilient balance sheet, supporting its ability to withstand stressed market conditions while continuing to execute its long-term business strategy.

Funding and Liquidity Profile

Allianz's funding profile remains underpinned by its large and stable insurance liabilities, which provide a predictable and well-diversified source of funding. Total liabilities amounted to €957.93 bn at year-end 2025, down 2.3% from €980.50 bn in 2024. Insurance contract liabilities remained broadly unchanged at €800.68 bn, representing approximately 84% of total liabilities, with the Life/Health business accounting for the vast majority (€704.42 bn), reflecting the long-term nature of the Group's liabilities.

Financial debt remained well diversified across senior and subordinated instruments with staggered maturities, supporting a balanced long-term funding profile. Outstanding bonds totaled €25.02 bn, down from €26.30 bn in 2024, while short-term funding continued to be managed through the Group's Medium-Term Note and Commercial Paper programmes. Allianz also retains excellent access to capital markets, providing significant financial flexibility should additional funding be required.

Leverage metrics remained conservative in 2025. The financial leverage ratio improved to 39.5% from 43.3% in 2024, while the fixed-charge coverage ratio strengthened to 13.5x from 10.6x, reflecting continued earnings growth and a strong debt-servicing capacity.

Liquidity also remains a key strength of the Group's financial profile. Allianz benefits from substantial recurring premium inflows, a highly liquid investment portfolio and diversified funding sources, which, in EthiFinance Ratings' opinion, provide ample capacity to meet policyholder obligations and debt maturities even under stressed market conditions.

Overall, EthiFinance Ratings considers Allianz's funding and liquidity profile to be very strong. The predominance of long-duration insurance liabilities, prudent leverage, excellent interest coverage and strong market access provide the

Group with considerable financial flexibility and support its overall credit quality.

Key Figures

Allianz Group *In millions of €*	2020	2021	2022	2023	2024	2025
Total assets	1.060.012	1.096.770	935.898	983.174	1.044.578	1.024.276
Financial debt	25.452	26.322	26.194	25.988	27.720	26.189
Equity	84.594	65.392	58.735	61.560	64.076	66.349
Total business volume	140.455	148.511	153.324	161.700	179.778	186.938
Operating result	10.751	13.400	13.814	14.746	16.023	17.374
Net result	7.133	7.105	6.856	9.032	10.540	11.430
ROA	0,7%	0,7%	0,7%	0,9%	1,0%	1,1%
ROE	8,8%	9,3%	11,1%	15,2%	16,8%	17,5%
Loss ratio P-C	69,5%	67,0%	68,4%	69,3%	69,3%	68,3%
Expense ratio P-C	26,8%	26,7%	24,9%	24,6%	24,2%	23,9%
Combined ratio P-C	96,3%	93,8%	93,3%	93,8%	93,4%	92,2%
Cost-income ratio AM	61,2%	58,4%	61,2%	61,3%	61,1%	60,7%
Solvency II capitalization ratio	207,0%	209,0%	201,0%	206,0%	209,0%	218,0%
Net earned premiums to equity	89,5%	118,8%	148,1%	148,2%	152,4%	154,9%
Fixed-charge coverage ratio	10,8x	11,6x	9,6x	11,8x	10,6x	13,5x
Leverage	30,1%	40,3%	44,6%	42,2%	43,3%	39,5%

Outlook

The Stable outlook reflects EthiFinance Ratings’ expectation that Allianz will maintain its very strong business and financial profile over the medium term. The Group is expected to preserve strong operating profitability, disciplined underwriting standards, a high-quality investment portfolio and a Solvency II ratio comfortably above regulatory requirements, supported by robust internal capital generation and prudent capital management.

The outlook also assumes that Allianz will maintain conservative financial leverage, strong liquidity and funding metrics, while preserving the resilience of its earnings generation and underwriting performance across the insurance cycle.

Rating Sensitivities

- **Positive factors**

The rating could be upgraded if Allianz demonstrates a sustained strengthening of its financial profile while preserving its very strong business franchise. This could result from a continued improvement in underwriting performance, with the combined ratio sustainably below 90%, together with a further strengthening of capitalization, reflected in a Solvency II ratio consistently above 220%, and financial leverage remaining comfortably below 40%. Continued strong profitability, disciplined risk management and the maintenance of its leading global market position would also be key considerations for a positive rating action.

- **Negative factors**

The rating could come under pressure if Allianz's financial profile weakens materially. This could result from a sustained deterioration in underwriting performance, with the combined ratio exceeding 98%, a significant decline in profitability, with ROE falling below 8%, or a reduction in capitalization, reflected in a Solvency II ratio below 190%. Downward pressure could also arise from financial leverage increasing above 50%, fixed-charge coverage falling below 6x, or a material weakening of the Group's liquidity profile, risk management framework or competitive position.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
  - Insurance Rating Methodology : https://files.qivalio.net/documents/methodologies/CRA 163 V2.Insurance Rating Methodology.pdf
- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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